Date: 3rd August 2026

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
[Scrip Code: 517146]

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra
Mumbai – 400 051
[Symbol: USHAMART]

Societe de la Bourse de Luxembourg
35A Bouleverd Joseph II
L-1840, Luxembourg
[Scrip Code: US9173002042]

Dear Sir/Madam,

Sub.: Transcript of Earnings Conference Call – Q1 FY27

In continuation to our letters dated 23rd July 2026 and 28th July 2026 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call for Q1 FY27 held on 28th July 2026 at 10:30 AM (IST).

The same is uploaded on the website of the Company and can be accessed through the following weblink TranscriptQ1FY27.

Further, please take note that no unpublished price sensitive information (UPSI) was discussed/shared during the call.

This is for your information and records.

Thanking you,

Yours faithfully,

For Usha Martin Limited

MANISH AGARWAL
Digitally signed by MANISH AGARWAL
Date: 2026.08.03 19:21:10 +05'30'

Manish Agarwal
Company Secretary & Compliance Officer

Enclosed: As above

USHA MARTIN LIMITED

Q1 FY27 Earnings Conference Call Transcript

July 28, 2026

Moderator: Ladies and gentlemen, good day, and welcome to earnings conference call of Usha Martin Limited. As a reminder, all participant line will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Devrishi Singh from CDR India. Thank you, and over to you.

Devrishi Singh: Good morning, everyone, and thank you for joining us on Usha Martin's Q1 FY27 earnings conference call. We have with us Mr. Rajeev Jhawar, Managing Director of the Company; Mr. Abhijit Paul, Chief Financial Officer; and Ms. Shreya Jhawar, Director of the Company. We hope all of you have had the opportunity to refer to the earnings documents that we shared with you earlier. We will initiate the call with opening remarks from the management, following which we will open the forum for a Q&A session.

Before we begin, I would like to point out that some statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings presentation. I would now like to invite Ms. Shreya Jhawar to make opening remarks.

Shreya Jhawar: Good morning, everyone, and thank you for joining us for Usha Martin's earnings conference call for the first quarter of FY27. I will begin with a brief overview of our performance and the key business developments during the quarter, following which our CFO, Mr. Abhijit Paul, will take you through the financials in greater detail.

We have made a strong start to FY27. Consolidated revenue increased by 16% year-on-year to INR 1,033 crore. Operating EBITDA stood at INR 208 crore, a 44% increase year-on-year with an EBITDA margin of 20.1%.

What is particularly encouraging is the quality of this growth. Across our businesses, value grew faster than volume, reflecting improved realizations and our continued shift towards specialized products. You will see this trend through each of the verticals I now take you through.

Starting with wire ropes — Value growth was strong at 18% year-on-year even as overall volumes were marginally lower. I want to highlight that the volume decline was largely due to the Middle East operations. Across our other key markets, India, the U.S. and Europe, we saw healthy volume growth and our geographic diversification helped the overall rope business remain robust.

In the domestic market, rope volumes grew approximately 12% year-on-year, while value grew around 21%, supported by healthy demand across crane, elevator and fishing segments.

The U.S. and Europe both had strong quarters. In the U.S., growth came mainly from elevator and mining segments, while in Europe, we saw good traction across oil and offshore renewables and value-added services.

Now coming to the Middle East operations, — volumes were down approximately 28% due to continued geopolitical and market disruptions. However, realizations improved by approximately 36% on the back of better pricing and a more favorable mix, which allowed us to hold revenues broadly at last year's levels. Even in a challenging market, the strength of our portfolio protected our business.

Now turning to wires — The business delivered healthy growth during the quarter with volumes up approximately 19% and revenue growing around 32% year-on-year. The wires portfolio today is largely domestic driven, and exports represent a significant growth opportunity for us. We have already begun supplying to select European customers in high-value applications such as automotive and rockfall protection, and we see considerable headroom to scale this as we secure further approvals and deepen our coverage in these markets.

On plasticated LRPC, - the business continued to gain traction, supported by healthy demand both in the domestic and export markets. A key milestone this quarter was our first international order for plasticated LRPC strand for a stay cable application. This is an important step. As further approvals mature, it opens up meaningful opportunities to expand internationally. This will be central to how we compete in the LRPC segment, where black LRPC has become largely commoditized, while plasticated offers genuine differentiation and better value.

Coming to Oceanfibre, Oceanfibre continues to build momentum. While it remains a small part of the overall business, we are encouraged by the progress across offshore and heavy lifting applications and the pipeline of opportunities ahead. This segment complements our core product portfolio, and we see it as an important growth lever for the Company going forward.

Overall, I would like to highlight 4 broader points from the quarter:

First, the improvement in performance reflects our shift towards high-value products and applications. Over the past few years, we have made sustained investments in strengthening our manufacturing and R&D capabilities, enabling us to address technically demanding applications across global markets.

Many of these products require extensive development, testing and customer qualification, creating meaningful barriers to entry. Our growing track record of approvals and successful field performance validates this strategy with the benefit increasingly visible this quarter across our rope portfolio, value-added wires, plasticated LRPC and Oceanfibre.

Second, we were able to protect profitability and expand margins despite a significant increase in key input and logistics costs. Wire rod prices were approximately 7% higher year-on-year, while zinc prices increased by around 28%. Freight costs also remain elevated. We implemented pricing actions across segments to pass through these increases. Together with improvement in product mix, cost discipline and operating efficiencies, this enabled us to expand EBITDA margins to 20.1%.

Third, profitability translated directly into cash. We generated operating cash flow of approximately INR 242 crore, representing cash conversion of 116% of operating EBITDA and closed the quarter with a net cash position of approximately INR 465 crore.

Fourth, this balance sheet strength allows us to keep investing confidently in the future growth. During the quarter, we incurred capital expenditure of approximately INR 73 crore. For FY27, we continue to expect capex of approximately INR 250 crore to INR 300 crore. These investments are focused on expanding capacity in specialized wire rope and improving manufacturing efficiency. A key project underway is the expansion of our elevator rope capacity by approximately 6,000 metric tons per annum. The additional capacity is expected to be commissioned in phases beginning October with the project scheduled for completion by the first quarter of FY28.

Looking ahead, Wire Rope volumes remain a clear priority, and our approach will be value-led volume growth. We will also continue to improve mix, scale our newer verticals and strengthen collaboration across our global operations through the "One Usha Martin" initiative.

While the external environment remains dynamic, demand across our key applications remains healthy. With our differentiated portfolio, long-standing customer relationships and strong balance sheet, we are confident of delivering consistent and profitable growth.

With that, I would now like to invite our CFO, Mr. Abhijit Paul to take you through the financial performance for the quarter in greater detail.

Abhijit Paul: Thank you, and a very good morning to everyone. I will now provide a brief overview of the company's financial performance for the quarter ended 30th June '26.

During Q1 FY27, our consolidated revenue from operations stood at INR 1,033 crore from INR 887* crore, registering a healthy growth of 16.4% year-on-year. During the same period, our operating EBITDA grew to INR 208 crore from INR

Changed from 884 to 887 - this is a factual correction.

145 crore, a growth of 44% year-on-year. This demonstrates that our profitability growth has been driven by a richer product mix, effective cost recovery and strong operating leverage, enabling a significant expansion in earnings. This is visible from our EBITDA margin as well, which improved to 20.1%, a 380-basis point increase year-on-year. Profit after tax for the quarter grew to INR 142 crore from INR 101 crore, registering a growth of 41% year-on-year.

From a segmental perspective, the Wire Rope business recorded revenue growth of 18% year-on-year, while the wire and strand segment grew 31.7% year-on-year. The LRPC segment reported a marginal growth of 3.9% year-on-year. Within Wire Rope, the value-added rope component stood at 73% compared to 70% in FY26. This has enabled us to achieve an EBITDA per ton of INR 40,581.

As highlighted earlier, our focus on improving product mix, increasing the share of specialized products and maintaining effective cost management continued to support profitability during the quarter. Our ability to pass on higher input and freight costs further enabled us to maintain healthy margins.

Cash generation remained healthy during the quarter. Our operating cash flow before tax stood at INR 242 crore, translating into a cash conversion of approximately 116% of operating EBITDA. After funding capex of INR 73 crore, free cash flow stood at INR 135 crore. Continued focus on working capital management further strengthened our financial flexibility and ability to invest in our growth priorities. Our return on capital employed improved to 21.4% from 20.6% as on March '26.

I am also pleased to share that during the quarter; the Company's long-term credit rating was upgraded by India Ratings and Research to IND AA- from IND A+ with a stable outlook. This upgrade reflects the continued strengthening of our financial profile, healthy cash generation and prudent capital allocation over the past few years.

As we move forward, we will remain focused on maintaining healthy cash conversion, improving working capital efficiency and deploying capital selectively towards opportunities that enhance returns and support long-term growth.

To conclude, we made a strong start to FY27 with healthy revenue growth, margin expansion and robust cash generation. Our stronger balance sheet and improved credit profile provide us with financial flexibility to pursue our growth plans while maintaining capital discipline. We remain committed to delivering profitable growth and creating long-term value for our stakeholders.

This brings me to the end of my remarks. I would now request the operator to open the floor for question-and-answer session.

Moderator: Ladies and gentlemen, we will begin with the question-and-answer session now. Our first question comes from the line of Aman Kumar Sonthalia from A K Securities.

Aman Sonthalia: First of all, congratulations to Shreya on becoming a part of the Board of Directors. And because of the effort and leadership of Rajeev sir and you, the Company has done excellently in this challenging global environment. And for the first time, the Company has achieved a turnover of INR 1,000 crore quarterly. This is again a very big achievement seeing the challenges geopolitically.

So, I have a few questions regarding the quarterly results. Question one is, how has the wire rope performed in terms of volume compared with both the previous quarter and the corresponding quarter last year? Could you also share your outlook for volume growth over the coming quarters? And one more thing I want to add is, how much volume loss have we incurred due to this Middle East crisis?

Rajeev Jhawar: Thank you, Aman ji, for your question. Rope volumes were marginally lower this quarter, and there were essentially 2 factors behind it. Firstly, as we mentioned in the opening remarks as well, volumes came in lower in the Middle East, which declined around 28% due to the ongoing geopolitical conflict. The port, marine and offshore, and construction business have all been affected in this region. Projects across Saudi Arabia have been delayed or stalled. The distributors in this region have also taken a conservative approach to stocking. All of these actually have led to a lower demand in this region. Our focus in this region was to maximize inquiry conversions, sell through our value addition route and optimize the product mix as much as possible to reduce the overall impact on the top line and bottom line.

The second factor was the Asia Pacific region, where we saw some project-related delays during the quarter. Now these are delays rather than any lost demand. The projects are still under negotiation and in the pipeline, but they will mature in this quarter.

At the same time, to reduce our dependence on project-driven business, we have stepped up our customer engagement in the region and identified areas such as crane ropes and elevators where we will see a clear headroom to build a more regular business to get regular volumes. This will be a key focus area for us through the year. Also, in our other key geographies, Americas, Europe and India, we saw volume and value growth during the quarter, and we expect the positive momentum to continue in the year as well.

Aman Sonthalia: Although the situation in the Middle East remains uncertain in the near term, if the geopolitical situation improves and construction activities gather pace, how significant could the opportunity be for Usha Martin? And which of our products are best positioned to benefit from such a scenario?

Shreya Jhawar: Yes, you are absolutely right. Yes, the Middle East could represent a meaningful opportunity if and when these geopolitical conditions improve. And the opportunity would be across the portfolio. So, the sectors that we cater to, for example, in the construction and the infrastructure side, when the reconstruction starts, this would support the demand for our crane ropes, particularly piling applications. Also, growth for elevator ropes as well would increase.

Secondly, if the investments in ports and logistics infrastructure happen, which we expect once the situation gets better, that should also create demand for port cranes, for marine applications and even for our GP ropes as well.

Thirdly, this region is also an important market, of course, for oil and offshore. So that too should pick up and support the demand for our large diameter ropes as well as for our drill line ropes. And then beyond the rope side, even for some of these bridge and infrastructure projects, which are currently getting delayed due to the situation, once things get better, this should create opportunities even for plasticated LRPC projects in this market for us.

And for us, being present with our own factory, with our own rigging shop in Saudi, this should create an important advantage to capture these opportunities.

Aman Sonthalia: Okay. And apart from wire rope, we are looking at 3 other businesses. One is plasticated LRPC, another is Galfan wire and the third is synthetic sling. So how have all the 3 businesses done in this quarter and how do we foresee them going forward in all these 3 divisions?

Shreya Jhawar: Yes, you are absolutely right again that plasticated LRPC, synthetic slings are also extremely important parts of the portfolio. And in each of these, we have made progress in the quarter. As we mentioned in the opening remarks, plasticated LRPC saw good traction this quarter. We did record the highest volume and value for this segment this quarter. And that is also one of the reasons why we saw topline growth in the LRPC segment despite seeing a volume decline year-on-year.

We have started supplying plasticated LRPC to the export market as well for stay cable applications, which is an important development. And with the upcoming approvals that we have been working on for a few years now, both the domestic and export market will open up further.

Coming to your second point on the synthetic slings, which is our Oceanfibre brand, that is also a very important part of our BSUK business. So last year, I believe, was the first full year of commercial operations for this segment. And you can see that over the last 5 quarters, each quarter, the revenue has been on an upward trend when it comes to this segment.

So, from being a pilot project, which is what it started off at, this is now giving us consistent revenue, consistent contribution. And our goal is to see how we can take this from 2 million to 3 million GBP level that it is now to, say, 10 million

GBP level over the next few years. And being a high-margin business, this will add significantly to our bottom-line performance in the upcoming years as well.

Aman Sonthalia: And what about Galfan wire?

Shreya Jhawar: So on Galfan, which is under our brand name GALSTAR, which is our brand for aluminum zinc coated wires, that is also progressing well. We are seeing good demand in the domestic market. In the export market also, we have got approvals in place. We are supplying to the European market, for example. And these, again, are critical applications, right, because they are used in rockfall protection. So, customer approvals are based on performance and reliability, not just on price. So, scale-up takes time, but we have gotten good successes in the export market also, and our priority is now to see how we can broaden our customer base and get more approvals.

Aman Sonthalia: Okay, thank you.

Moderator: Our next question comes from the line of Rajesh Majumdar from 360 ONE Capital.

Rajesh Majumdar: I wanted to ask you if we look at the breakup of the volume numbers, the wire rope segment is pretty flattish for the last 3 quarters. And though the realization per ton has improved steadily and has kept up the margins, the volumes have been quite static. So when can we start seeing an uptick in the volume? Because I understand that Q1 is normally a seasonally weak quarter as well. And we have seen historically that Q2 has been a very high volume bump up for the wire rope business. So, shall we see a similar trend this year? That was the first question.

Rajeev Jhawar: So, let me tell you that as we mentioned earlier, the Middle East market is the one which has been impacted. In the last quarter we almost had 26% to 30% lower volume, which is almost 1,000 tons. So that is the business which we lost because of the current geopolitical situation. However, the other markets have done well, whether it is the domestic market or the European and the U.S. market.

So looking at the current opportunities globally, including the domestic market, we feel and we still maintain that we will be able to get to 10% to 12% growth of volume in this financial year. Now that the capacities are already in place and the inquiries are fairly strong, we should be able to get to our 10% to 12% growth in terms of volume for the whole year as we had indicated earlier.

Rajesh Majumdar: That means we will have double-digit growth for the balance part of the year because the first quarter is nearly flattish in terms of the volume number.

Rajeev Jhawar: But also, I would like to state at this point of time that while 10% to 12% volume growth is something which we are quite hopeful of achieving, we should be able to achieve it, barring these situations happening globally. But at the same time, as we have mentioned even in the past, our focus has to be both on volume and value. Because in wire rope, it takes time for us to get all the approvals and get into these specialty customers and get consistent and regular business from them. So, a lot of progress has taken place on that. The capacity is available with us. As these inquiries and orders mature, we should be in a position to push these volumes.

Rajesh Majumdar: Okay. And if you look at the realization per ton, there is a sharp jump in LRPC, which is, of course, understandable. But then subsequently, at the end of June, we have seen a huge drop in the LRPC prices as well. So, how much of the margin impact is there from LRPC this quarter? And will that be negatively impacting the next quarter? If so, will there be some positive impact coming from the cost side on the wire rope and the other businesses to negate that impact?

Rajeev Jhawar: You see on margins, as we have indicated that we do not look at margins per ton. Of course, it is a derived number and we got a healthy number of INR 40,000. As we have maintained earlier also, our focus is to at-least maintain a base of 20%, based on all the various initiatives which the Company has taken over a period of time. And we hope that even going forward, we will have a minimum base of 20%. We were able to pass on all the cost increases, whether it was for steel as well as gas and other input increases, and were able to pass them on to the customers, as Shreya mentioned in the opening remarks. Yes, and that also helped us to ensure that the sustainability of the margin was there. Going forward, I think our base, as we have been maintaining, would be at 20%. And as these various new capex volumes go up as well as the product mix improves, we should be able to see it moving upwards. So we are fairly positive that the new base would be at around 20%, with a minimum of 20%.

Rajesh Majumdar: Okay. And what would you guide for capex for the next 2 years for our business?

Rajeev Jhawar: As we mentioned even earlier, this year, we are investing about INR 250 crore to INR 300 crore. And one of the main projects is increasing the capacity of elevator rope by almost 6,000 tons a year. We are also modernizing and expanding our furnaces to be able to meet the increased demand. So, as we guided earlier, about INR 250 crore to INR 300 crore would be the capex, including routine capex or maintenance capex on a yearly basis for us to be able to continue with the topline growth of 10% to 12% in terms of volume and around 15% on value. So, about INR 250 crore to INR 300 crore a year.

Rajesh Majumdar: Thank you so much.

Moderator: Our next question comes from the line of Varun Jain with Dolat Capital.

Varun Jain: I have a couple of questions. So one is that Oceanfibre became cash flow positive in its first year of operation. So, what is the total TAM here? And what is the margin? I know it is higher than 20%, higher than your blended margin, but what is the margin profile? And why is the margin so high? Like is there an IP advantage versus other synthetic sling manufacturers or what?

Shreya Jhawar: Thanks for your question. So, the total addressable market for this would be about 1.5 billion to 2 billion is what we have estimated. So, it is smaller than the overall size, of course, of the rope market considerably, but it is growing at high double-digit rate. The gross margins for this are 65% to 70%. So, as you rightly mentioned, they are considerably high.

And this, again, is a specialized product. It is a critical application. Again, it is used in oil and offshore, in wind energy, where in a lot of cases, where steel wire ropes cannot be used because the components of either the oil platform or the wind platform are more delicate and sensitive, that is when these are used. So, these are heavy lifting applications. In last quarter, we executed an order where the weight was only 6 tons of a particular synthetic sling, but the minimum breaking load, the lifting capacity is, you know, more than 4,500 tons.

So that is the nature of the product. It is a highly specialized, again, critical application where you need approvals and you need track record to build the business. So again, very much in line with our approach to having more value-added products in our portfolio. This also fits well within that.

Varun Jain: Okay. And this plasticated LRPC, in the Q4 call, management had indicated that some approvals were expected within weeks. So, have all those approvals come and will FY27 volumes for this reach 6,000 tons, which was guided? Or will it be higher?

Shreya Jhawar: So, for plasticated LRPC, yes, there was one major approval with one of the customers; it is a global customer, but they have high share in the domestic market. Verbally, we have gotten confirmation on that, but some paperwork is still getting a little bit delayed, but it is all progressing well and it is in place and the party has already started quoting with our product in the market. So, we still remain confident of that.

In terms of the volumes, yes, we do have a capacity annually of 6,000 tons. Last year, we did close to 2,500 tons. This year, our target is 3,500 to 4,000 tons. And then next year, we should be able to fully utilize the capacity as these approvals come through and with our traction that we are already seeing in the International market, we are still confident of these numbers. And because this is an area where we have all of the capacity in place for the front end and only the plastification line is the additional capex, we are already thinking about how we can further ahead of time, increase our capacity so that in 18 to 24 months' time, as these projects pick up, we are still able to meet the demands of the market.

Varun Jain: Got it. And management always says that there is an 85% replacement market exposure. So, what is the replacement cycle for, say, mining, elevator, oil and offshore? And how is it different, like which has a longer and which has a shorter replacement cycle? And how sensitive are these replacement cycles to lower utilization? So, say, if the business is disrupted in the Middle East, then the replacement cycle elongates or the replacement cycle stays the same?

Shreya Jhawar: Good question. So yes, like you mentioned, 85% is replacement market for us across sectors. This could be different. So, for example, for certain mining ropes, which are, for example, certain applications like dump ropes in mines, it can be as little as 1 to 2 weeks of replacement. But then across elevator ropes, it is longer. It can be 5 to 8 years depending on whether it is a commercial elevator or residential elevator and how much it is used as well.

And then ports is somewhere in the middle between, it can be between 6 to 12 months. So, every application has sort of a different cycle. Now coming to your question on the Middle East, right now, the situation in the Middle East is that a lot of the ports are not even functional. So, they are not being used. So, to that extent, replacement cycle might get delayed a bit. But I just want to highlight that these are safety mandated replacements. So, it is not that a rope breaks and then you replace it. There is a certain timeline based on usage that the various sectors they are mandated to replace it in and that is how the replacement happens. So, we have fairly good idea in terms of predictability of volumes for this replacement demand.

Varun Jain: Got it, that is very helpful. And just one last question. So, Usha Martin U.S. market share is slightly below 5% and Europe is close to 10% to 12%. So, over the next 3 to 5 years, where do you see the market share in these geographies? And also in India, what is the present market share? And where do you see it in the next 3 to 5 years?

Shreya Jhawar: So, starting with the U.S. So, U.S., yes, our market share is sub-5% right now. And if we look at today as a percentage of our total portfolio, about 9% to 10% of our revenue comes from U.S. or broadly the Americas region. This is definitely an underpenetrated market for us relative to the overall size. So, we do see this as an important expansion opportunity for us going forward, especially in certain value-added segments like elevators, mining and oil and gas also is an area that we are focusing now. So definitely, U.S. is one of the important markets for us.

Europe, of course, having our own rigging shops, our own service centers and having our own manufacturing as well gives us a big advantage. So that is a big market for us. After India, actually, that is our largest market, so about 27% of our topline in this quarter came from the European market.

In Europe, our strategy going forward will also be that we have a presence in U.K., we have a presence in Netherlands. So those are well established markets. But going forward, we still see headroom in markets like Germany, Italy, Denmark, Norway, around the North Sea area. Here, our share is relatively smaller right now. So, we see an opportunity to grow. So, we will not see Europe as a whole, but we are looking at each of these geographies to see where we can gain share.

And lastly, you asked about the India market. So of course, domestic market is very important for our 65% to 70% market share we do have in the domestic market. But again, the way we look at it is segment-wise. So, we talked about elevator rope, where we do have about, I would say, 60% to 65% market share. And there is a lot of room to grow. But right now, actually, our biggest constraint is capacity. The elevator market in India is growing at about 20%. All the major OEMs are setting up presence here.

So once the additional capacity comes in, we think that we can grow not only as the market grows, but also take more share, which we are not able to cater to right now. Other segments in India, we are looking at our ports is another important segment. Here, we do have already more than 95% market share in India, so more focus is on retaining this market share. And also, as the market grows, there is a lot of port expansion that is happening in India. So that is another area where we are actively working and having already credibility with having most of the share, I think we will keep growing as the market grows. And other high-value sectors, piling, ports, mining, of course, domestic market in all segments, we have a strong dealer network. So, through them, we cater to most of the segments.

Varun Jain: Got it, thank you and all the very best.

Moderator: Our next question comes from the line of Vinit Thakur with Plus91 AMC.

Vinit Thakur: I had a couple of questions. Could you just help me understand what should be the sustainable EBITDA margin going forward? Because we have seen quite a good Q-o-Q and Y-o-Y growth in those margins, but what would be a sustainable margin going ahead?

Rajeev Jhawar: As I mentioned, margins were moderated slightly on a sequential basis. As we had mentioned, that there could be a quarter-on-quarter variation in terms of margin in the 20% to 21% range due to the product segment and also in the geographic mix where we are selling our products. Our goal would be to maintain margins upward of 20% whereas the focus would be on both absolute topline and bottom-line growth.

So, I would say the minimum would be 20%. And as these various initiatives come up, we expect it to move upwards. But again, this would be depending on how the overall global situation evolves, but we are reasonably confident that we should be now having a new base of 20% and gradually moving upwards.

Vinit Thakur: Then sir, coming to the volume, what would be our volume growth going forward? And what is the utilization of our consolidated plants currently?

Rajeev Jhawar: You see, as I mentioned earlier in one of the answers that we still are reasonably confident to get to 10% to 12% volume growth this year and a value growth of 15%, depending on the product mix, of course. And that is something which we are reasonably confident even now to achieve this in the current year. And with the various capex programs which we have in hand and the new capacities which have already been added and would be added, we expect this volume growth to continue at a similar levels in the coming years as well.

Vinit Thakur: But sir, if you see our current Y-o-Y sales volume is flattish. There has been very minimal change. So how do we achieve or expect to achieve 10% to 12% volume guidance growth going forward?

Rajeev Jhawar: As you see, as I mentioned earlier, and I think Shreya also mentioned in our opening remarks, that the Middle East, which is a very significant market for us, and we had set up our Saudi Arabian operations over there, which had started delivering good results. And we were expecting growth to come from that market this year. Instead of getting a growth, there is almost a 30% volume dip in that market. So, these situations, one has to deal with it. And of course, we are all hoping that things will stabilize.

But on the other side, we grew by 12% in our volume in our markets in India. We grew in the US in terms of volume. We grew in the European market in terms of volume. And with these new capacities which have come in and the kind of order book and the inquiries what we had, I would say that we are hopeful of still achieving these numbers with the kind of pipeline of inquiries and orders what we have.

At the same time, one has to understand that we are present in so many geographical places in different parts of the world. Sometimes a war-like situation, what happened in the Middle East does impact the overall business. But otherwise, I would say that looking at the current business environment, the kind of order books and kind of inquiry, we are reasonably confident to achieve that.

Vinit Thakur: So what I understand is you think 10% to 12% would be inclusive of the Middle East operations assuming or excluding those operations?

Rajeev Jhawar: Hopefully, I think it would be including the Middle East, what we are seeing today, unless it goes into a worse situation from here now. But if it is even at similar level, we should be able to do that.

Vinit Thakur: Okay. And then my last question would be about realizations. What sort of realizations are we looking at for all the product mix that we have for this quarter?

Rajeev Jhawar: See the current realizations, we have been able to pass on the entire increase of the steel and the various gases and the various other input costs, which have been increased. And partly it has reflected in the quarter 1 results. And hopefully, we should be able to maintain this increase even in the coming quarters.

However, on the LRPC side, we are seeing a slight depression in terms of the realizations because of the ongoing monsoon and the project slowdown in the states. But otherwise, overall, in terms of wire and wire ropes, we see that we will be able to maintain a healthy realization of our products, slightly better than what we did in the quarter 1.

Vinit Thakur: Could you give the quantum number for the realizations from the products that we have, or the blended realization that we have achieved this quarter?

Shreya Jhawar: For wires, it would be around the INR 85,000 per ton range, the realization. For LRPC, because the large part was also plasticated LRPC this time, the blended margin for black and plasticated together was about INR 79,000 per ton. And rope in the domestic market was around INR 1,90,000 per ton. And International, we saw with more growth in Europe and the US and value-added services, the realizations were one of the highest we have seen around INR 3,70,000, INR 3,80,000 per ton.

Vinit Thakur: So the INR 3,70,000 and INR 3,80,000, these are sustainable or is it just due to the war that there is an increase in the realization?

Rajeev Jhawar: These are depending on the product mix. We are selling products of Oceanmax, which are sold at a different price. Then there are GP ropes in the International, which are at a different price. Drill line ropes are sold at a different price. And these also depend on quarter-by-quarter. So, what Shreya mentioned that those are the numbers which we are targeting and hopefully, we should be able to do. But that also depends on maturity of some of these orders, what we get in a particular quarter and how the mix is. But in general, because we operate in so many geographies, so many product mix. So, it is difficult to say that what exact number would be. But it would be what Shreya mentioned in a range which she mentioned that we would be around that range.

Vinit Thakur: Okay. And just to get an overview of the industry itself as of right now, with the West Asia crisis and everything else, what are your views about how it is impacting your business? And would it be detrimental in the long run or will it be beneficial for you?

Rajeev Jhawar: West Asia crisis is already impacting our topline as of now. But assuming that this West Asia crisis is resolved, will create a big opportunity in terms of certain demand coming up for reconstruction, for the various activities of oil and gas will improve in that market and also the reconstruction activities may happen. But of course, it is all very uncertain as all of us, we know that daily things are changing. And if things do improve, it should definitely have a positive impact on our business going forward.

Vinit Thakur: And what is our current market share in India? If you could just shed some light?

Rajeev Jhawar: We do not look at the market share of individual markets on that basis. But I think as a part of our top line, we are about 9% of our revenue comes from the Middle East.

Vinit Thakur: Okay, thank you.

Moderator: Our next question comes from the line of Shivkumar Prajapati with Mirae Asset.

Shivkumar Prajapati: Is there any new customer addition to our list? And are any of our products nearing the approval process? And what kind of contribution we can expect from them to profitability as well as from a topline perspective for the next four to six quarters?

Rajeev Jhawar: You see, we have a continuous pipeline of new customer approvals, which is on an ongoing basis for all our various plants, be it in the elevator, be it in the oil offshore, be it in the crane industry. And these are all products which sometimes to get the approval it could be a few quarters or even two to three years. So, there is an ongoing approval process, be it for our plasticated LRPC, be it for our zinc aluminium, which is our GALSTAR wires, even for our Oceanfibre business. So, it is a continuous process. And I am happy to say that every quarter, we are getting new approvals or new customers, which we are targeting with the help of our global development centre, global design centre. And we prefer not to talk about the name of these customers because we have a confidentiality agreement with them also, not to share. But I can tell you that on an average, at least 10 to 12 new customers, we keep on adding every few months, so across the various segments. So, there is a very healthy pipeline of these customer approvals and new customers, which we are targeting.

Shivkumar Prajapati: Got it. And my next question is on U M Cables, basically Usha Martin Cables. So that division is not doing well, plus this Thailand segment is also PAT negative. So, is there any turnaround or any new strategy in order to make these segments profitable going ahead?

Rajeev Jhawar: As far as U M Cables is concerned, this is not part of our core business. Of course, we are running it, because that is a business which is not core, and we do not have any major strength in that business. So, we are looking at opportunities of how to use our that facility, which is strategically located in West India, Western part of India where the Company does not have any other facility to see that is there any opportunity which we can; and we are evaluating a few opportunities where we could use that facility to grow our value-added wire and wire rope business.

So that is definitely one of the options in front of us. But long term, on the cable side, we do not see that as a business which we would like to be in. Coming to the business of Thailand, it is a strategically located plant, a very important plant, having a very strong customer base in that region, in the ASEAN region and one of the leading players in Thailand. Of course, the margins in the previous first quarter has improved, and the outlook for the current year is better in Thailand in terms of the order book and all. But we are looking at a strategic model, how Thailand can become more profitable, would be able to get better realizations and better margin by enhancing the product mix. And I would say in the next 6 months, we would be in a position to have a fairly well-evolved plan for this, which should create a long-term improved profitability coming from our Thailand plant. One of the options we are even looking at, how do we integrate it better with our plant in India, similar to what we have in Dubai and similar to what we have in the UK and see that how we can get the synergy benefits and help improve the profitability. So that is something. It is a good question. Both of these are in top of our mind, and we would be addressing it in the coming 2 or 3 quarters.

Shivkumar Prajapati: And my next question is on CBAM. So currently, we have a very negligible impact. But post FY28, we might see some impact on our products or, say, the regions to which we cater. So, what kind of headwinds or issues can we see post FY28? And what sort of mitigation strategy are we adopting today?

Shreya Jhawar: Yes, that is a good question. So of course, that is top of our mind as well. As of now, in the definitive period, we are only exposed to one product segment, which is wires, which comes under 7217. So, we do export that to Europe as well. So that is already under the definitive period under CBAM right now. So, what we are doing is we are working, we have appointed a consultant. We are working with them to understand what would be the cost impact per ton of that, and we are regularly communicating with our customers as well on that to see what strategy we can have jointly.

In terms of the wire rope, which comes under 7312, that is not in the definitive period right now because, of course, that is a more complex derivative of steel that will come, like you said in FY28. But through the exercise for wires right now, we are also trying to understand what the cost impact per ton would be for wire rope. It would not be that much more because it is just slight value addition beyond wires from an energy consumption perspective. Large part of the cost is because of the impact of the input cost for us, the input material for our steel. From our processes, it is negligible for the emissions compared to what it is for the input material. So, we are working with our suppliers as well to see what are the options available to us so that we can minimize that overall impact when it hits us in FY28.

Shivkumar Prajapati: So last quarter, we highlighted that we are facing some challenges related to fuel, like fuel costs are increasing. Somehow, we are able to manage them well so far. But given this West Asia crisis, I mean, it is not yet as stable as we desire. So, going ahead in the second half, can we see any impact on our operating profitability?

Rajeev Jhawar: It is a good question. As we mentioned, we have been able to pass on the increase whatever has taken place into the market. And of course, the West Asia crisis has brought in volatility in the oil and gas prices globally. But we have been able to successfully pass it on to the customers. And very transparently, we talk to our customers. And hopefully, we are in a position to pass it on in the future, and we do not see any impact coming on that account to our business.

Shivkumar Prajapati: And my last question, referring to the Annual Report '26. On a lighter note, I see a jump of 4x in Mr. Rajeev's remuneration. So, any comments you would like to add?

Rajeev Jhawar: It is not 4x if you look at it because year before last, when we were going for a major restructuring for our business in our group, whether it is the European business and major cost initiatives which we have taken, I had forgone my bonus for the year 24-25. So that was for one particular year. I had taken a view because we had taken some very serious austerity measures across the Company. The approximate value was INR 8 crore, which was applicable. But on my own, I decided to forgo it. So, to that extent, it is an anomaly for a particular year, if you look at it.

Shivkumar Prajapati: Got it. Thank you so much and best of luck.

Moderator: Our next question comes from the line of Shraddha Kapadia with SMIFS Limited.

Shraddha Kapadia: I would like to congratulate the team for a good set of numbers. And my first question is, if we take a look at the steel prices have increased meaningfully during the quarter around 13% Q-o-Q, but the EBITDA per ton has improved by only approximately 3% Q-o-Q. Additionally, the EBITDA margins contracted sequentially despite a lower contribution from the plasticated LRPC business. So, if you could just help us understand the key factors which limited the EBITDA per ton expansion. So, is it because of the timing mismatch in the raw material pass-through or the product mix change or the cost headwind?

Shreya Jhawar: So, as you said, the EBITDA per ton was at INR 40,000 per ton level. Even after the input cost increase, we were able to sort of pass on the input cost, and then further still improve our product mix as well as manage our costs on a year-on-year basis to get these overall margins. When it comes to the sequential decline in the margin percentage, like we said, quarter-on-quarter, even seasonality of Q4 versus Q1, there can be a certain difference in the geographic as well as the product mix.

So, I would not say that quarter-on-quarter, it cannot change. It will vary to some extent. But as we mentioned that the goal would be to have a minimum of 20% EBITDA margins and as the product mix further improves, that should only get better.

Shraddha Kapadia: Sorry, the basic question is that the steel prices have increased by approximately 13% Q-o-Q, but our margin on a per ton basis has increased by 3% Q-o-Q. So, is there any major reason for that?

Rajeev Jhawar: Basically, you see in the business, the steel price has gone up by INR 7,000 per ton. So, our finished product, we have been able to recover that steel price increase. And the price of steel is INR 50,000 a ton or say, INR 55,000 a ton. So, 13% increase of steel price amounts to INR 7,000. But wire rope is sold at INR 1,80,000 to INR 3,50,000.

So, you cannot take the percentage of steel price increase of 13% to increase the price of your finished product by 13% of the wire rope, which is sold. So it is the absolute steel increase, which we are able to pass on. So, the margins do not increase. You cannot increase the steel price, like there is 13% steel price increase, so, we must get 13% on wire. It does not work that in any of the products. It is the basic input price which we are able to recover it.

Shraddha Kapadia: Okay. Also, would it be possible to just give a basic understanding as to how much of the increase we get from the realization is from the commodity pass-through or due to the richer product mix?

Rajeev Jhawar: No, we do not look at percentage. It is the absolute number of steel price. So, whatever the steel price increase had taken place, we pass on 100% in the commodity product. There is no absorption of any cost. So, it is 100% pass-through, whether it is wires or LRPC. In terms of the wire rope, it is purely the steel price increase and the gas and other inputs what increase we are able to recover from the customers. So, commodity is 100% pass-through.

Shraddha Kapadia: Okay, that was quite helpful. Thank you.

Moderator: That was the last question, ladies and gentlemen, for today. I now hand the conference over to the management for the closing comments.

Shreya Jhawar: I would like to thank everyone for attending this call and showing interest in Usha Martin Limited. I hope we have been able to answer all your questions. The Company is dedicated to creating value for all its stakeholders in a sustainable manner. Should you need any further clarification or would you like to know more about the Company, please feel free to reach out to us or to CDR India. Thank you once again for taking the time to join us on this call and see you all in the next quarter.

Moderator: Ladies and gentlemen, on behalf of Usha Martin Limited, that concludes today's conference call. Thank you for joining us, and you may now disconnect your lines.